GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:944
ANSWERED ON:23.11.2001
SUPPLY OF CONCESSIONAL WHEAT BY FCI TO FLOUR MAKERS
VILAS BABURAO MUTTEMWAR

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the atta manufacturers are supplied wheat at a concessional rate by the FCI and if so, at what rate;

(b) whether atta manufacturers out of the wheat procured at concessional rate is being marketed at a heavy margin of profit;

(c) if so, whether the Government have imposed any condition on the atta manufacturers for supplying the atta at a reasonable margin of profit to the consumers and how the observance of this condition is ensured; and

(d) if not, the steps the Government propose to take to make available this important consumable item of daily use at the reasonable price to the people?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI ASHOK PRADHAN)

(a),(b),(c)&(d): No, Sir. FCI releases wheat at subsidized rates under the Open MarketSale Scheme (Domestic) of wheat which is open to all consumers, traders, State Governments, Union Territories, Chakkies, Co-operatives, Super Bazars, Civil Supply Corporations including Roller Flour Mills (RFMs) subject to a minimum quantity of 10 M.Ts.

The disposal of wheat under the Open Market Sales Scheme is undertaken to dispose off surplus stocks of wheat available with FCI, as well as to moderate open market prices. The open market sale price is fixed by the High Level Committee (HLC) of the FCI after taking into account the trend of the market prices in each zone as well as the zonal economic cost of wheat. No conditions have been imposed on the buyers as to the rate at which the resultant atta is to be sold in the market.

From July, 2001 onwards, the open sale rates of wheat under the scheme for different Zones of the country are as under:

Zone	Rate per qtl.
North	Rs.650/-
South	Rs.720/-
West	Rs.695/-
East/North East	Rs.705/-

A discount of Rs.40/- per quintal has been given to the stocks of wheat procured in 2001-2002 Kharif Marketing Season in Punjab, Haryana and U.P. (some Distts.) The buyers are free to purchase any amount of wheat from FCI.This ensures adequate availability of wheat in the open market, which moderates the price of Atta in the market.

Government of India has recently approved a scheme for distribution of atta under PDS as proposed by Government of West Bengal. Under this scheme, the ration shops will sell atta at a fixed price of Rs.7.90 per Kg. to the card holders in the State.